

LIFE INSURANCE CORPORATION OF INDIA
CENTRAL OFFICE

Dept.: Product Development

"Yogakshema",
Jeevan Bima Marg,
Mumbai – 400 021

Ref: CO/PD/91

2nd May, 2017

All HODs of Central Office
All Zonal Offices
All Divisional Offices
All Branch Offices (through DOs)
MDC, ZTCs, STCs, NIA and
Audit & Inspection Depts. of Zonal Offices.

Re: "Pradhan Mantri Vaya Vandana Yojana" (Plan No.842)

1. Introduction:

Government of India has announced the Pradhan Mantri Vaya Vandana Yojana for citizens aged 60 years and above.

In view of the above, it has been decided to launch "**Pradhan Mantri Vaya Vandana Yojana" (Plan No. 842)** with effect from 4th May, 2017. This plan will be available for sale upto 3rd May, 2018.

This is a Government subsidized pension Scheme which shall provide an assured return of 8% p.a. payable monthly (i.e. equivalent to 8.30% p.a.) on the pensioner surviving during the policy term of 10 years.

The Unique Identification Number (UIN) for "Pradhan Mantri Vaya Vandana Yojana" is **512G311V01**. This number has to be quoted in all relevant documents furnished to the Policyholders and other users (public, distribution channels, etc.).

The benefits and other details of the plan are given below.

2. Benefits:

The benefits payable under this plan are as under:

a. Pension Payment :

On survival of the Pensioner during the policy term, Pension in arrears (at the end of each period as per mode chosen by the Pensioner) shall be payable.

b. Death Benefit:

On death of the Pensioner during the policy term, the Purchase Price shall be refunded to the nominee/legal heirs.

c. Maturity Benefit:

On survival of the pensioner to the end of the policy term, Purchase price and the final pension installment shall be payable..



3. Eligibility Conditions and Restrictions:

- a) Minimum Entry Age : [60] years (completed)
b) Maximum Entry Age : No limit
c) Policy Term : 10 Years
d) Minimum Pension : Rs. 1,000 per month
Rs. 3,000 per quarter
Rs. 6,000 per half year
Rs. 12,000 per year
e) Maximum Pension : Rs. 5,000 per month
Rs. 15,000 per quarter
Rs. 30,000 per half year
Rs. 60,000 per year

Ceiling of maximum pension is for a family as a whole i.e. total amount of pension under all the policies allowed to a family under this plan shall not exceed the maximum pension limit. The family for this purpose will comprise of pensioner, his/her spouse and dependants.

4. Mode of Pension Payment :

Mode of pension payment shall be monthly, quarterly, half-yearly or yearly.

The pension payment shall be through NEFT or Aadhaar Enabled Payment System.

The first instalment of pension shall be paid after 1 year, 6 months, 3 months, or 1 month from the date of purchase of the same depending on the mode of pension payment i.e. yearly, half-yearly, quarterly or monthly respectively.

5. Pension Rates:

The pension rates are not age specific and the rate of pension for Rs.1000/- purchase price for different modes of pension payments are as below:

- Yearly : Rs. 83.00 p.a.
Half-yearly : Rs. 81.30 p.a.
Quarterly : Rs. 80.50 p.a.
Monthly : Rs. 80.00 p.a.

The pension instalment shall be rounded off to the nearest rupee.

6. Purchase Price:

The plan can be purchased by payment of a lump sum Purchase Price. The pensioner has an option to choose either the amount of pension or the Purchase Price.

For offline sale of policies, the Purchase Price payable shall be accepted by cheques/drafts payable on the Branch of the Bank which is member of the Local / CTS/ Speed Clearing Center.

For online sale of policies, instructions in this regard will be issued by Direct Marketing department, Central Office.

The minimum and maximum Purchase Price under different modes of pension will be as under:

Mode of Pension	Minimum Purchase Price	Maximum Purchase Price
Yearly	Rs. 1,44,578/-	Rs. 7,22,892/-
Half-yearly	Rs. 1,47,601/-	Rs. 7,38,007/-
Quarterly	Rs. 1,49,068/-	Rs. 7,45,342/-
Monthly	Rs. 1,50,000/-	Rs. 7,50,000/-

The purchase price shall be rounded off to the nearest rupee.

7. Rebates:

No rebate (including CEIS rebate) is available under this plan.

8. Commission payable to intermediaries and Credit to Development Officers:

Commission to Agent, Corporate agents, Brokers shall be @ 0.1% of the Purchase Price (net of taxes).

In case of online sale, no commission shall be paid.

No bonus commission is payable.

D.O. Credit to Development Officers shall be @ 0.3% on the Purchase Price (net of taxes).

9. Taxes:

Statutory Taxes, if any, imposed on this Plan by the Government of India or any other constitutional tax Authority of India shall be as per the Tax laws and the rate of tax as applicable from time to time.

The instructions regarding issues related to taxes will be issued by Finance & Accounts Department, Central office, separately.

10. Surrender Value:

The scheme allows premature exit during the policy term under exceptional circumstances like the Pensioner requiring money for the treatment of any critical/terminal illness of self or spouse. The Surrender Value payable in such cases shall be 98% of Purchase Price.

11. Loan:

Loan facility is available after completion of 3 policy years. The maximum loan that can be granted shall be 75% of the Purchase Price.

The rate of interest to be charged for loan amount would be determined from time to time by the Corporation.

Loan interest will be recovered from pension amount payable under the policy. The Loan interest will accrue as per the frequency of pension payment under the policy and it will be due on the due date of pension. However, the loan outstanding shall be recovered from the claim proceeds at the time of exit.

12. Underwriting :

NB & R Department, Central Office, will issue separate instructions in this regard.

13. Suicide Clause:

There shall be no exclusion on count of suicide and full Purchase Price shall be payable.

14. Forfeiture in certain Events:

in case it is found that any untrue or incorrect statement is contained in the proposal, personal statement, declaration and connected documents or any material information is withheld, then and in every such case this policy shall be void and all claims to any benefit in virtue of this policy shall be subject to the provisions of Section 45 of the Insurance Act, 1938, as amended from time to time.

15. Free Look Period :

If a policyholder is not satisfied with the "Terms and Conditions" of the policy, he/she may return the policy to the Corporation within 15 days (30 days if this policy is purchased online) from the date of receipt of the policy.

The amount to be refunded within free look period shall be the Purchase Price deposited by the policyholder after deducting the charges for Stamp duty and pension paid, if any.

16. Policy stamping :

Policy stamping charges will be at the rate of 20 paise per thousand of Purchase Price under this Plan.

17. Reinsurance:

No reinsurance is required for policies taken under this plan.

18. Assignments/Nominations

Assignment as per section 38 of the Insurance Act, 1938 as amended from time to time shall be allowed in favour of LIC of India only, if pensioner opts for loan under the policy.

Nomination by the pensioner is required as per Section 39 of the Insurance Act, 1938, as amended from time to time.

The notice of nomination or change of nomination should be submitted for registration to the office of the Corporation, where the policy is serviced. In registering nomination the Corporation does not accept any responsibility or express any opinion as to its validity or legal effect

19. Accounting of Income and Outgo :

Instructions regarding the accounting procedure to be followed under the plan shall be issued separately by Finance & Accounts Department, Central office.

20. Normal requirements for claim:

All the claim payments under this plan shall be paid through NEFT/ Aadhaar Enabled Payment System. Other requirements are as under:

For benefit payable on death of the Pensioner:

The normal documents which the claimant shall submit while lodging the claim in case of death of the Pensioner shall be claim forms, as prescribed by the Corporation, accompanied with original policy document, proof of title, proof of death, to the satisfaction of the Corporation. If the age is not admitted under the policy, the proof of age of the Pensioner shall also be submitted.

For pension payments:

The Pensioner shall submit the Life Certificate in the proforma of the Corporation or online "Jeevan Pramaan" as enabled by Corporation in this regard at the time intervals as prescribed from time to time. The pension payments shall be released only on receipt of the Life Certificate.

For benefit payable on Surrender:

The Pensioner shall submit the discharge form along with the original policy document, proof of medical treatment of self/spouse and proof of age, if the age is not admitted earlier.

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For benefit payable on Maturity:

The Pensioner shall submit the discharge form along with the original policy document and proof of age, if the age is not admitted earlier.

Instructions regarding claim payment procedure shall be issued by CRM department, Central Office separately.

21. Proposal Form and Policy Document :

The specimen Proposal Form no. 470(Rev) is enclosed as Annexure I.

The specimen Policy Document will be sent by Corporate Communication Department, Central Office.

22. Address Of Ombudsman:

At the stage of issuance of policy the address of the nearest Ombudsman is to be mentioned in the Policy Document. In case of any change in address by policyholder, the address of the nearest Ombudsman from the transferring in branch has to be informed to the policyholder along with confirmation of change in address.

Further, instructions in this regard to be issued by CRM Department, Central office.



Executive Director (Marketing/Product Development)

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Encl: Annexure I